

The Effect of Loan Ease, Lending Policies, and Technology on the Decision
of Submission of MSME Loans at Islamic Bank

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Abstract

This study aims to analyze the factors that influence the ease of applying for MSME loans in Islamic banks. The research was conducted using a quantitative approach, with data obtained through questionnaires and distributed to MSME owners in Jambi City. The sample used in this study consisted of 32 respondents who were selected using purposive sampling according to the criteria for MSMEs in Jambi City. The data obtained was analyzed using the SmartPLS application. The results of the study show that factors such as the submission process, document requirements, and policies have a significant effect on the ease of applying for MSME loans in Islamic Banks.

In addition, the study also found that there was a significant relationship between the ease of applying for a loan and the decision to apply for a loan at an Islamic bank by MSMEs. This research contributes to an increased understanding of the factors that influence the ease of applying for MSME loans at Islamic Banks. The results of this study can be a reference for Islamic banks to improve their services to MSMEs and provide convenience for MSMEs in applying for loans. This research can also be the basis for further research related to the development of Islamic banking products and services for MSMEs. However, this study has several limitations, such as the limited sample in Jambi City and the use of a quantitative approach, which cannot provide a complete picture of the experience of MSMEs in applying for loans at Islamic banks. Therefore, further research can be carried out by involving a wider sample and using a qualitative approach to deepen understanding of the experience of MSMEs in applying for loans at Islamic banks

Keywords: Loan Ease, Submission Loans, MSMEs, Islamic Banks

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play an important role in the Indonesian economy, especially in creating jobs and increasing economic growth. However, MSMEs often experience problems in accessing funding, especially in terms of applying for loans at banks. This is due to various factors, such as strict requirements, complicated procedures and high risks. In this context, Islamic Banks can be an attractive alternative for MSMEs in seeking funding. Islamic banks have different principles from conventional banks, where they do not only focus on profits, but also pay attention to social and justice aspects. However, even though Islamic Banks have provided various products and services for MSMEs, there are still many MSMEs who experience difficulties in applying for loans at Islamic Banks.

Therefore, research that aims to analyze the factors that influence the ease of applying for MSME loans at Islamic Banks is very important to do. This research can provide an overview of the factors that influence the ease of applying for MSME loans at Islamic Banks, so that they can assist Islamic Banks in improving their services and making it easy for MSMEs to apply for loans. In addition, this research can also provide benefits for MSME owners, where the research results can help them understand the procedures and requirements needed in applying for loans

at Islamic banks. Thus, they can prepare well before applying for a loan and increase their chances of getting a loan from an Islamic bank.

Several previous studies have been conducted to analyze the factors that influence the ease of applying for MSME loans at Islamic banks. For example, research conducted by Azhar, Rahman, and Yusoff (2017) shows that factors such as trust, education level, and business experience influence the ease of applying for MSME loans at Islamic banks. Another study conducted by Sufian, Habibullah, and Razak (2013) found that factors such as interest rates, guarantees, and government policies also affect the ease of applying for MSME loans at Islamic banks. However, there are deficiencies and gaps in these studies. These studies tend to only pay attention to factors related to loan application requirements and procedures, but do not pay attention to other factors such as personal and environmental influences. Therefore, more comprehensive research needs to be done to understand the factors that influence the ease of applying for MSME loans at Islamic banks. This study will answer the question whether the Theory Planned of Behavior component (positive attitude, social environment influences, and knowledge of credit applications) will help MSME behavior in applying for loans at Islamic banks in Jambi city. This model was first carried out by Ajzen (1991). According to Ajzen (2005), the theory of planned behavior is a theory that predicts the behavior to be formed. Actually a person's behavior can be formed and designed. The main determinant of internal behavior in this theory is intention. Intention is an important element in accepting or rejecting one's behavior and as a predictor of one's behavior (Saad and Haniffa, 2014; Febriandika et al., 2020).

Several previous studies have also discussed the factors that influence the ease of applying for MSME loans at Islamic banks. For example, according to research conducted by Rahmawati and Marfuah (2020), the availability of guarantees and an understanding of sharia are factors that have a significant influence on the ease of applying for MSME loans at Islamic banks. This research shows that MSMEs that have good guarantees and understanding of sharia principles find it easier to obtain loans from Islamic banks. Another study conducted by Kusriani, Kurniasari, and Sari (2019) also found that the availability of guarantees and understanding of sharia had a significant effect on the ease of applying for MSME loans at Islamic banks. In addition, this study also shows that factors such as bank reputation and service quality also influence the ease of applying for MSME loans at Islamic banks.

Currently the development of technology in the world is growing, at this time researchers will answer questions from the technology acceptance model (TAM) used in the study. TAM is a model used to predict user acceptance of technology by measuring the factors that influence the user's intention to use the technology. This model was developed by Davis in 1989 and has been widely used in various studies related to technology acceptance. According to Davis (1989), the TAM model consists of two main factors, namely perceived usefulness and perceived ease of use. Perceived usefulness is the user's perception of the extent to which the technology is useful in helping complete the tasks at hand. Meanwhile, perceived ease of use is the user's perception of the extent to which the technology is easy to use. TAM also considers other factors that influence technology acceptance, such as social factors, beliefs, and other individual factors.

In the context of research conducted in Indonesia, Islamic Banks have great potential in supporting MSME development. Therefore, research on the factors that influence the ease of applying for MSME loans at Islamic Banks can make a significant contribution in increasing the growth and development of MSMEs in Jambi.

LITERATURE REVIEW AND FORMULATION

Theory Planned of Behavior (TPB)

Theory of Planned Behavior (TPB) is a theory that is often used in the context of human behavior in carrying out certain actions, including in a financial context such as paying zakat or borrowing money from a bank. According to TPB, a person's behavior is influenced by three factors, namely attitudes, subjective norms, and behavioral control. According to Saad et al. (2010), a positive attitude can encourage strong intentions and vice versa, a negative attitude will encourage someone not to want to make a loan. The positive attitude referred to in this study is based on the theory of planned behavior which is closely related to the problem of curiosity in the internal factor of a person wanting to know the term of a loan at an Islamic Bank, the amount and requirements.

According to Ajzen (1991), attitude is an individual's evaluation of a behavior and can influence a person's desire and willingness to carry out that behavior. Subjective norms are individual perceptions of pressure or influence from those closest to them such as family, friends or co-workers in carrying out certain behaviors. Behavioral control includes an individual's perception of their ability to perform the behavior. In the context of this study, TPB can be used to analyze the factors that influence the ease of applying for MSME loans at Islamic banks in Jambi City. Individual attitudes towards the ease of applying for MSME loans, subjective norms that are internal factors (term and conditions) for applying for loans, as well as external factors (social, economic, and government regulations) that individuals have in applying for loans can be factors that influence the ease of applying for MSME loans at Islamic Banks.

Technology Acceptance Model (TAM)

The technology acceptance model (TAM) was developed by Fred Davis in 1986 as a model to explain user behavior in adopting information technology. This model illustrates that the intention to use a technology is influenced by the user's perception of the ease of use and usability of the technology (Davis, 1989). According to Davis (1989), the TAM model consists of two main factors, namely perceived usefulness and perceived ease of use. Perceived usefulness is the user's perception of the extent to which the technology is useful in helping complete the tasks at hand. Meanwhile, perceived ease of use is the user's perception of the extent to which the technology is easy to use.

In a study on the acceptance of information systems by teachers in Indonesia, Pramono and Ningsih (2019) found that teachers' perceptions of the ease of use and usability of information systems significantly influence the intention to use the system. This study also shows that social factors such as support from school leaders and colleagues also affect the intention to use the system. Overall, the TAM model has proven to be an effective model for predicting user behavior in adopting information technology. Therefore, this model can be used as a theoretical framework in research on technology acceptance in various fields.

Islamic Bank

Islamic banks are financial institutions that provide banking services in accordance with sharia principles. In its development, Islamic Banks not only provide banking services to Muslim communities, but are also increasingly in demand by non-Muslim communities. In Indonesia,

Islamic Banks are experiencing quite rapid development. According to data from the Financial Services Authority (OJK), the total assets of Islamic banks in Indonesia in 2020 will reach IDR 698.8 trillion or the equivalent of 9.9 percent of total banking assets in Indonesia. In addition, Islamic Banks also have an important role in supporting the development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia. According to Sukmana et al. (2018), Islamic banks have different characteristics from conventional banks. One of the distinguishing characteristics is the use of the principle of profit sharing in determining the amount of profit received by the bank and customers. In addition, Islamic Banks also pay attention to the aspects of fairness and expediency in carrying out their business. This is confirmed by research by Zulkifli et al. (2020) which states that Islamic banks have different principles from conventional banks, such as risk-sharing activities between banks and customers, as well as guarantees of fairness and togetherness between banks and customers.

The role of Islamic Banks in supporting the development of MSMEs cannot be denied. According to research conducted by Arsyianti et al. (2021), Sharia Banks have an important role in providing financing and other support to MSMEs in Indonesia. In their research, Arsyianti et al. (2021) found that Islamic banks provide easier financing and a simpler application process for MSMEs. In order to maintain public trust and strengthen its position in the banking industry, Islamic Banks need to pay attention to factors that can affect customer satisfaction and loyalty. According to research conducted by Sutapa et al. (2019), factors that influence customer satisfaction in Islamic Banks include fast and responsive service, transaction security, and ease of banking processes.

Ease of Submitting Loans and Loan Submission Decisions

Several previous studies stated that interest affects the ease of applying for MSME loans at Islamic banks. According to research conducted by Ernawati (2020) in the city of Banjarmasin, the factor of the loan term and loan size has a significant effect on the ease of applying for MSME loans at Islamic banks. This is due to the large amount of interest that must be paid by MSMEs and the tight deadline for returns. Meanwhile, administrative requirements such as documents that must be submitted by MSMEs also affect the ease of applying for loans. Another study conducted by Nizar, et al. (2019) in Makassar also found similar results. The loan term and loan size factors affect the ease of applying for MSME loans at Islamic banks, but the administrative requirements factor does not prove to have a significant effect. Meanwhile, research conducted by Taufik (2017) in Malang City shows that the loan term and administrative requirements have a significant effect on the ease of applying for MSME loans at Islamic banks, while the size of the loan has not proven to have a significant effect.

From the results of these studies, it can be concluded that there are differences in the influence of the loan convenience factor on MSME loan applications in Islamic banks. Therefore, it is necessary to conduct further research to determine the effect of these convenience factors on MSME loan applications at Islamic banks in Jambi City.

H1: There is a significant influence of the ease of borrowing on the ease of applying for MSME loans at Islamic banks

Loan Policy and Loan Submission Decisions

Based on research conducted by Setiawam and Adityawarman (2017), they conducted research and found that the loan policies applied by banks affect the ease of applying for loans by customers. In addition, another study conducted by Mahmood, Rehman, and Khan (2018),

provides an illustration that clear loan policies and clear transparency can help increase the level of customer trust in banks. On the other hand, factors that can make it difficult for customers are administrative requirements and complicated loan application procedures that can hinder customers from applying for loans.

In addition, research conducted by Kusriani and Kholis (2020), they found in their research that ease in the loan application process and clear requirements are important factors in increasing customer interest in applying for loans to banks. In the context of the H1 hypothesis, loan policy can affect the ease of applying for MSME loans at Islamic banks. The existence of policies that support MSME development can make it easier for MSMEs to apply for loans.

In order to test the H1 hypothesis, this study will collect data from MSME respondents in Jambi City and analyze the influence of loan policies on the ease of applying for MSME loans at Islamic Banks. The data will be analyzed using the SmartPLS method to determine the relationship between variables in a structural model, to identify the effect of loan policy on the ease of applying for MSME loans at Islamic banks.

H2: There is a significant influence of loan policy factors on the decision to apply for MSME loans at Islamic banks

Technology and Loan Submission Decisions

There are several previous studies which indicate that technological factors affect the ease of applying for MSME loans at Islamic banks. For example, research conducted by Triyono and Hariyanto (2020) shows that the use of technology in applying for loans affects the ease of applying for MSME loans at Islamic banks in Indonesia. The results of this study indicate that the higher the use of technology in applying for loans, the easier it is for MSMEs to apply for loans at Islamic banks.

Another study conducted by Fatimah et al. (2019) also shows that technological factors have a positive effect on the ease of applying for MSME loans at Islamic banks. The results of this study indicate that the use of technology in applying for loans can increase the ease and efficiency in the MSME loan application process. In addition, research conducted by Anwar et al. (2020) also shows that the use of technology in applying for loans affects the ease of applying for MSME loans at Islamic banks. This research shows that the higher the level of technology utilization in applying for loans, the easier it is for MSMEs to apply for loans at Islamic banks.

Based on the results of these studies, it can be assumed that technological factors do affect the ease of applying for MSME loans at Islamic banks. Therefore, the hypothesis which states "There is a significant influence of technological factors (utilization of technology in loan applications) on the ease of applying for MSME loans at Islamic Banks in Jambi City" is supported by several previous studies. However, more specific and in-depth research on technological factors and MSME loan applications at Islamic banks in Jambi City still needs to be carried out to strengthen this hypothesis.

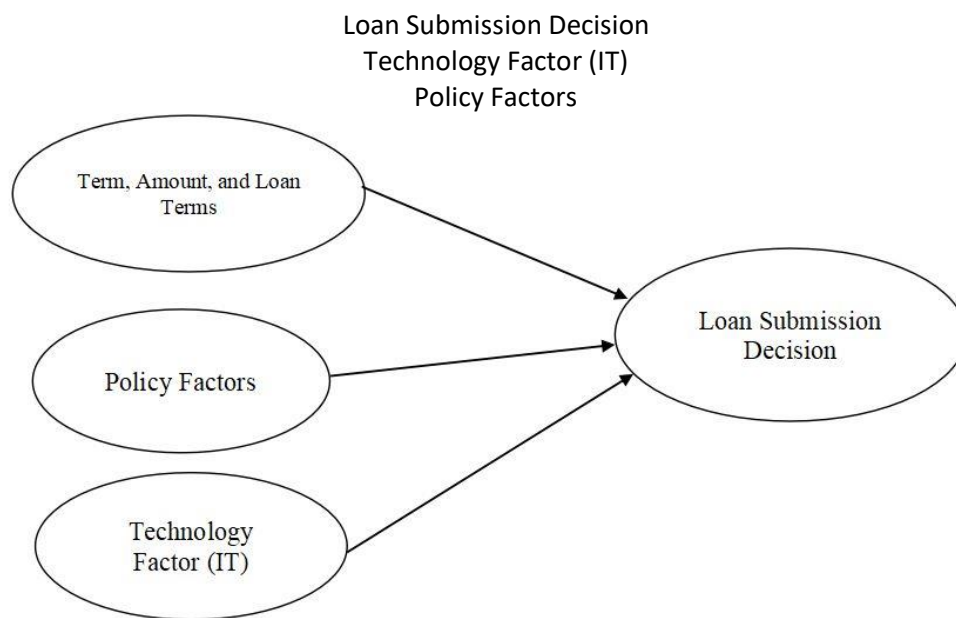
H3: There is a significant influence of technological factors on the decision to apply for MSME loans at Islamic Banks

RESEARCH METHODS

The research methodology used in this study is a quantitative method of distributing questionnaire data by purposive sampling to achieve the goal. Self-administered questionnaires

were used to check those in the construction of TPB and TAM. Questionnaires were distributed online to borrowers at Islamic banks in the city of Jambi. Data collection was carried out for one week in March 2022. We ensured that respondents had applied for a loan at a Sharia Bank in the city of Jambi at least once and knew the amount of the loan, installments and technology available at the Sharia Bank in the city of Jambi. This process has obtained a purposive sample of 32 responses. The statistical power value for this sample is 0.95, greater than the minimum requirement of 0.8 (Carrane et al., 2020). Therefore, the sample size in this study is considered acceptable.

The variables in this study are latent or construct variables where these variables cannot be measured directly (unobserved). Because of that, these latent variables are accompanied by indicators or manifests, namely questions in the form of a Likert scale with a 7-point scale. The 7-point Likert scale is a scale of the level of agreement with the statement which is an indicator of the scale range 1: Strongly Disagree, 2: Disagree, 3: Fairly Disagree, 4: Neutral, 5: Fairly Agree, 6: Agree, 7: Strongly Agree . In this study there are four variables including



Term, Amount, and Loan Terms
 Figure 1: Conceptual Research Model

Research instruments and construct measurements were measured using a seven-point Linker scale, ranging from 1 "strongly disagree" to 7 "strongly agree", also included questions related to demographics (gender, education, age, type of business, and length of borrowing experience in Islamic Bank).

RESULTS AND DISCUSSION

The results and discussion in this study, the researchers managed data from 32 respondents for this mini-research activity, the researchers obtained 32 respondents who were willing to fill out questionnaires, understood and had applied for loans or financing at Islamic

banks in the city of Jambi. For gender information from respondents who have filled out the questionnaire and have applied for a loan at a Sharia Bank in the city of Jambi are as follows:

Table 1. Gender of Respondents

Gender	Frequency	Percentage
Man	18	56,3%
Woman	14	44%
Amount	32	100%

Source: data processed in 2023

Table 1 can be seen and provides information on the respondents who were sampled in this study; the majority were in the male sex category, which was more dominant, with a total of 19 respondents and a percentage of 56.3% of the total 32 respondents. And female gender with a total of 14 respondents which has a percentage of 43.8% of respondents. It can be concluded that in filling out more male respondents who own businesses and apply for loans to Islamic banks in Jambi city, while fewer women own businesses (MSMEs) and apply for loans to Islamic banks in Jambi city. In fact, it is possible that many MSMEs have not been reached by the researchers themselves due to the limitations of the researchers.

From the results of the filling that has been done by the respondents, related to the actual age is not a reference for researchers as samples to be used in research, it's just that the age of the respondents is at least less than 20 years. As additional information related to the age of the respondent in this study is as follows:

Table 2 Respondent Age

No	Age Category	Frequency	Percentage
1	20-29 age	21	65,6 %
2	30-39 age	8	25 %
3	40-49 age	3	9,4 %
	Amount	32	100%

Source: data processed in 2023

In this study, we can see that it is related to the age of the respondents who have filled out the research questionnaire who own businesses and apply for loans to Islamic banks in the city of Jambi, most of whom are vulnerable to the age of 21-29 years with the number of respondents as many as 21 out of 32 respondents in the study. this, with a proportion of 65.6%. Furthermore, the second most respondents are vulnerable aged 30-39 years with a total of 8 respondents from 32 respondents, with a proportion of 25%. Furthermore, the third age respondent is vulnerable to the age of 40-49 years with a total of 3 respondents from 32 respondents from this study, with a proportion of 9.4%. It can be concluded in the data above heteroscedasticity.

From this study the experience of applying for credit at the Syariah Bank in Jambi can be seen from table 3. The longest experience was in the 1-2 year and 2-3 year categories where each category had 12 respondents. Furthermore, the most categories fall on 3-4 years and more than 4 years who have loan experience at Islamic banks in the city of Jambi. And finally, there

were 2 respondents in the category of less than 1 year of experience in applying for loans at Islamic banks.

Table 3 Loan Submission Experience

No	Islamic Bank Loan Experience	Frequency	Percentage
1	Less than 1 year	2	6,3 %
2	1-2 years	12	37,5 %
3	2-3 years	12	37,5 %
4	3-4 years	3	9,4 %
5	More than 4 years	3	9,4 %
Amount		32	100%

Source: data processed in 2023

Regarding the dominant type of business, it can be seen in table 4 below. It can be seen from the table that the majority of the types of business that are more dominant are trading, with a total of 12 respondents with a percentage of 37.5% of 32 respondents. The second most common type of business is production, with a total of 8 respondents with a percentage of 25% of 32 respondents. Furthermore, the service business type category has 7 respondents with a percentage of 21.9% and finally the Culinary category has 5 respondents, with a percentage of 15.6%. It can be concluded in this study that the business category owned by MSMEs in this sample is the Trade category which is more dominant in applying for loans to Islamic Banks.

Table 4 Type of business

No	Type of business	Frequency	Percentage
1	Trading	12	37,5 %
2	Service	7	21,9 %
3	Production	8	25,0 %
4	Culinary	5	15,6 %
Amount		32	100%

Source: data processed in 2023

From this study the level of education is actually not a reference for researchers as a sample to be used in this study. It can be seen in this study that the education of the respondents who applied for loans at Islamic banks in Jambi City was the most undergraduate with a total of 22 respondents with a percentage of 68.8%, then the most respondents in education were in the high school/vocational school category with a total of 5 respondents, then the diploma education category with a total of 3 respondents, and finally with the Postgraduate category with a total of 2 respondents. So that it can be interpreted in the data below that the most in this sample who apply for loans to Islamic banks in the city of Jambi are in the Bachelor category

Table 5. Last education

No	Last education	Frequency	Percentage
1	Senior High School	5	15,6 %
2	Diploma	3	9,4 %

3	Bachelor	22	68,8 %
4	Postgraduate	2	6,3 %
Amount		32	100%

Source: data processed in 2023

The research method in this study uses the Partial Least Squares (PLS) technique through the SmartPLS software. Associated with model specifications include structural models and measurement models. Sartetd and Cheah (2019) argued that the structural model shows the path between constructs, while the measurement model shows the relationship between the constructs. Indicators of reliability and validity are the first step in checking and ensuring that related indicators have many similarities that are captured by latent constructs (Wong, 2019). However, after performing convergent validity by examining the external value of each latent, 7 out of 19 indicators were omitted because the external value was lower than the threshold level of 0.7 proposed by Hair et al. (2014). The remaining 13 indicators are maintained because their value is higher than the threshold level of 0.7. The reliability and validity indicators are the first step to check and ensure that the related indicators have many similarities that are captured by the latent constructs (Wong, 2019). However, after we Assessing convergent validity by examining the external loading of each latent construct, 1 of 13 indicators was removed because the external loading was lower than the threshold level of 0.7 proposed by Hair et al. (2014). The remaining indicators are maintained because their external loading is higher than the threshold level of 0.7. The data can be seen from the image below.

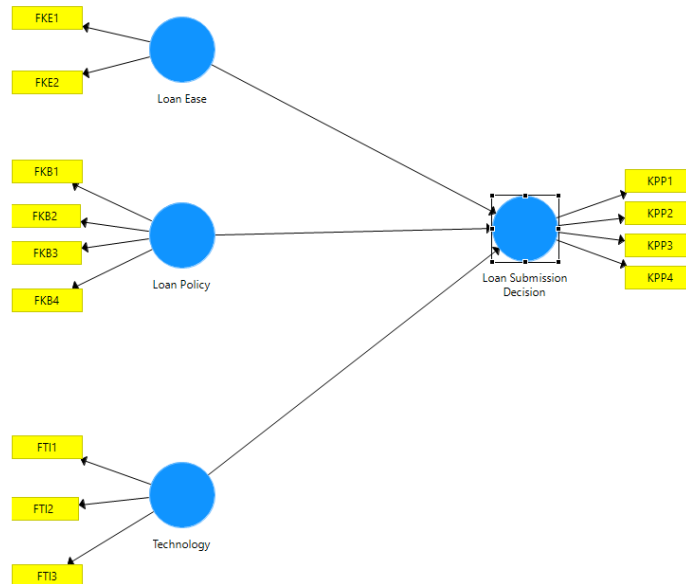


Figure 2. Chart Convergent Validity

The convergent validity shown in Figure 2 refers to the model's ability to explain the variance of the indicators, the AVE value provides evidence of convergent validity (Fornell & Larcker, 1981 as cited in Wong, 2019). AVE values were also higher than the 0.5 threshold (Hair et al. 2006) and exceeded the appropriate cut-off criteria. The reliability of each latent construct was assessed using Cronbach's alpha and composite reliability values, however, instead of using Cronbach's alpha and composite reliability, one should consider using the "rho_A" coefficient to ensure the reliability of the PLS construct scores, as defined in Dijkstra & Henseler (2015) . The

composite Cronbach's alpha is higher than the threshold level of 0.60, the composite reliability is higher than the threshold level of 0.70 (Fornell & Larcker, 1981 as cited in Wong, 2019) while the rho_A value of 0.7 or greater is approved to indicate the reliability of the composite.

Tabel 6 Validitas Konvergen

Information	Cronbach's Alpha	rho_A	Composite Reability	Average Variance Etracted (AVE)
Loan Policy	0,738	0,790	0,832	0,555
Loan Ease	1,000	1,000	1,000	1,000
Technology Factor	0,698	0,881	0,804	0,582
Loan Ease	0,697	0,714	0,815	0,530

Source: data processed in 2023

From the results of the above study it can be seen that convergent validity is shown in table 6 referring to the model's ability to explain indicator variance, the AVE value provides evidence of convergent validity (Fomell and Larcker, 1981 and cited by Wong, 2019) and exceeds the appropriate cut-off criteria. The reliability of each latent construct is assessed using the reliability values of alpha and Cronbach's alpha, but instead of using composite reliability and Cronbach's alpha values, one should consider using the coefficient "rho_A" to ensure the score of the PLS construct, as defined in Dijkstra and Henseler (2015) . Conbabach's Alpha and Composite Reability are higher than the threshold level of 0.07 (Fomeli and Larcker, 1981 followed by Wong, 2019). While the rho_A value of 0.7 or greater is approved to indicate composite reliability. The reflective score is said to be high if it has a correlation of more than 0.70 with the construct you want to measure, however, for the early stages of research on the development of a measurement scale a loading value of 0.50 to 0.60 is considered sufficient (Ghozali, 2011).

Wong (2019) said that there are two steps, namely the Fornell-Larcker Criterion and the heterotrait-monotrait ratio of correlations (HTMT). Fornell-Larcker Criterion, the traditional approach found by Fornell and Larcker (1981) can be used to establish discriminant validity. However, Henseler et al (2015) preferred to use the heterotrait-monotrait ratio of correlations (HTMT) over the Fornell-Larcker Criterion because it failed to identify discriminant validity issues in the majority of cases. Henseler et al (2015) also suggest future research to perform HTMTinference analysis to incorporate some of the testing problems proposed by Miler (1981). As the first step to perform HTMTinference testing, the bootstrapping procedure makes it possible to build confidence intervals for HTMT, if the confidence interval (CI) includes a value of one, it can be indicated that discriminant validity is lacking (Hanseler et al, 2015). The HTMT values as shown in table 7 have passed the threshold indicating confirmed discriminant validity and no deficiencies.

Tabel 7 Discriminant Validity (HTMTinference analysis))

	Original Sample (O)	Sample Mean (M)	CI (2,5%)	CI (97,%)
Loan Ease -> Loan Submission Decision	0,116	0,165	-0,165	0,460
Loan Policy -> Loan Submission Decision	0,628	0,610	0,351	0,821

Technology -> Loan Application Decision	0,226	0,237	-0,048	0,522
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Source: data processed in 2023

The value of the path coefficient or liner model indicates a significant level in testing the hypothesis. According to Jogiyab (2011), the significance size that supports the hypothesis can be used to compare the value of t-table and t-statistic. If the t-statistic value is higher than the t-table value, then the hypothesis is supported. Hypothesis testing is done by looking at the path coefficient from the bootstrap resampling results shown in table 8 below:

Tabel 8 Path Coefficient

Track	Original Sample (O)	T Statistics	Information
Loan Policy -> Loan Submission Decision	0,116	0,610	not supported
Loan Ease -> Loan Submission Decision	0,628	5,594	supported
Technology -> Loan Application Decision	0,226	1,619	not supported

Source: data processed in 2023

Based on the results shown in table 8 above, it can be seen that the loan convenience hypothesis has an influence on loan application decisions, while the loan policy and technology hypothesis has no significant influence on loan application decisions by MSMEs where the two hypotheses are not supported. The results of the path coefficient show that the t value of the ease of application variable regarding the decision to apply for a MSME loan is proven to be significant. This illustrates that the easier it is to apply for a loan at an Islamic Bank, the higher the decision for micro, small and medium enterprises to apply for a loan at an Islamic Bank. Logically, it can be interpreted that the easier it is to apply for a loan, the higher the interest in applying for a loan by MSMEs at Islamic Banks. The results of this study are in line with the results of research conducted by Mulyani and Sutisna (2018) entitled "The Influence of Internal and External Factors on Lending Decisions at MSMEs in Islamic Banks". This study examines the internal and external factors that influence MSME lending decisions in Islamic banks. The results showed that factors such as ease of access to loans, interest rates, and bank reputation had a positive effect on MSME lending decisions.

Based on the results shown in table 8 above, it can be seen that the loan convenience hypothesis has an influence on loan application decisions, while the loan policy and technology hypothesis has no significant influence on loan application decisions by MSMEs where the two hypotheses are rejected. The results of the path coefficient show that the t value of the ease of application variable regarding the decision to apply for a MSME loan is proven to be significant. This illustrates that the easier it is to apply for a loan at an Islamic Bank, the higher the decision for micro, small and medium enterprises to apply for a loan at an Islamic Bank. Logically, it can

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There are lots of business owners who want to apply for loans, especially to Islamic banks, because they are in accordance with the contract in Islam. There is still a lack of MSMEs to get venture capital. Perceived ease of applying for a loan has an influence on the decision to apply for a loan. However, it cannot be denied that loan applications by MSMEs at Islamic Banks are still small even though the desire to make loans is very large, but the loan policy makes MSMEs think again. So that the perception of loan policy has no influence on the decision of MSMEs to apply for loans at Islamic banks. And technology does not really affect the decision to apply for a loan by MSMEs at Islamic Banks. Maybe here Sharia Banks have not paid close attention to loan policies and technology that make it easier to apply for MSME loans. Maybe here MSMEs pay more attention to other factors they consider such as loan interest, tenor and other requirements in making a decision to apply for a loan at an Islamic bank. And maybe Islamic Banks do not provide sufficient education and assistance to MSMEs about the benefits and ease of applying for loans at Islamic Banks

Although the loan and technology policy hypotheses were rejected, previous research has shown that the ease of applying for loans has a positive and significant effect on the decision to apply for MSME loans in Islamic banks. Therefore, Islamic banks need to pay attention to this factor and continue to improve services and ease of loan applications so that they can attract MSMEs to choose Islamic banks as financing partners.

CONCLUSION

Based on the results of the research that has been done, we can conclude that there is a significant influence between the ease of applying for a loan on the decision to apply for a loan by MSMEs in Islamic Banks. This illustrates that the easier the process of applying for loans to

Islamic banking, the more likely it is that MSMEs will apply for loans at Islamic banks. However, the results of this study did not find a significant influence between lending policy and technology on the decision to apply for MSME loans at Islamic banks. These results are in line with previous research which showed that bank policy factors and technology factors did not have a significant influence on the decision to apply for loans by MSMEs in Islamic banks.

Overall, the results of this study can provide useful information for Islamic banks in improving services to MSME customers. Islamic banks need to pay attention to the factor of interest and the ease of applying for loans as important factors for MSME customers in making decisions to apply for loans. In addition, Islamic Banks also need to continue to develop relevant policies and technologies to meet the needs and desires of MSME customers in the loan application process.

However, this study has several limitations, such as the limited sample in Jambi City and the use of a quantitative approach which cannot provide a complete picture of the experience of MSMEs in applying for loans at Islamic banks. Therefore, further research can be carried out by involving a wider sample and using a qualitative approach to deepen understanding of the experience of MSMEs in applying for loans at Islamic banks.

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ATTACHMENT

Item	Question	Outer Loadings	Information
FKE1	I think applying for a loan is very easy to do	0,844	Valid
FKE2	Applying for a loan at an Islamic bank is very easy to do so I don't find it difficult	0,759	Valid
FKB1	The regulations contained in the Sharia Bank Loan policy have been adapted to regional conditions and the condition of MSMEs	0,673	Valid
FKB2	In implementing Islamic Bank loan policies, it has been confirmed that it supports MSMEs	0,656	Valid
FKB3	Do you feel that Regional Government regulations affect the ease of applying for MSME loans at Islamic Banks	0,814	Valid
FKB4	How big is the role of national economic conditions in influencing the ease of applying for MSME loans at Islamic Banks	0,820	Valid
FTI1	How easy is it for you to access banking applications/web to apply for MSME loans at Islamic banks	0,650	Valid
FTI2	How complete is the information provided by the banking application/web for applying for MSME loans at Islamic banks	0,720	Valid
FTI3	How satisfied are you with the banking application/web service for applying for MSME loans at Islamic Banks	0,893	Valid
KPP1	How easy is it for you to understand the loan term offered by Islamic Banks	0,589	Valid
KPP2	How much loan do you need to grow your business	0,844	Valid
KPP3	What do you think about the administrative requirements provided by Islamic Banks in Jambi City in the MSME loan application process	0,730	Valid
KPP4	How easy is it for you to obtain information about applying for MSME loans at Islamic Banks	0,730	Valid

Source: data processed in 2023

Matrix	Kebijakan Pinjaman	Kemudahan Pinjaman_	Keputusan Pengajuan Pinjaman	Teknologi
FKB1	0.673			
FKB2	0.655			
FKB3	0.814			
FKB4	0.820			
FKE1		0.844		
FKE2		0.759		
FTI1				0.650
FTI2				0.720
FTI3				0.893
KPP1			0.589	
KPP2			0.844	
KPP3			0.730	
KPP4			0.730	

Sumber : data diolah 2023

R Square

Matrix	R Square	R Square Adjusted
Keputusan Pen...	0.604	0.562

f Square

	Kebijakan Pinjaman	Kemudahan Pinjaman_	Keputusan Pengajuan Pinjaman	Teknologi
Kebijakan Pinja...				0.020
Kemudahan Pi...			0.848	
Keputusan Pen...				
Teknologi				0.086

Discriminant Validity

	Kebijakan Pinjaman	Kemudahan Pinjaman_	Keputusan Pengajuan Pinjaman	Teknologi
Kebijakan Pinja...	0.745			
Kemudahan Pi...	0.385	0.802		
Keputusan Pen...	0.488	0.720	0.729	
Teknologi	0.577	0.210	0.424	0.762

Discriminant Validity

	Kebijakan Pinj...	Kemudahan Pi...	Keputusan Pen...	Teknologi
Kebijakan Pinja...				
Kemudahan Pi...	0.649			
Keputusan Pen...	0.651	1.285		
Teknologi	0.833	0.483	0.485	

	Original Sample (O)	Sample Mean (M)	Standar Deviation (STIDEV)	T Statistics	P Values
Kemudahan Pinjaman -> Keputusan Pengajuan Pinjaman	0,116	0,165	0,207	0,460	0,646
Kebijakan Pinjaman -> Keputusan Pengajuan Pinjaman	0,628	0,610	0,143	2,943	0,003
Teknologi -> Keputusan Pengajuan Pinjaman	0,226	0,237	0,191	2,296	0,022

Outer Loadings

Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Samples		
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
FKB1 <- Kebijakan Pinjaman	0.673	0.641	0.192	3.496	0.001
FKB2 <- Kebijakan Pinjaman	0.655	0.608	0.206	3.179	0.002
FKB3 <- Kebijakan Pinjaman	0.814	0.782	0.143	5.688	0.000
FKB4 <- Kebijakan Pinjaman	0.820	0.807	0.129	6.382	0.000
FKE1 <- Kemudahan Pinjaman_	0.844	0.830	0.093	9.119	0.000
FKE2 <- Kemudahan Pinjaman_	0.759	0.756	0.128	5.917	0.000
FTI1 <- Teknologi	0.650	0.572	0.276	2.360	0.019
FTI2 <- Teknologi	0.720	0.643	0.272	2.645	0.008
FTI3 <- Teknologi	0.893	0.877	0.088	10.159	0.000
KPP1 <- Keputusan Pengajuan Pinjaman	0.589	0.579	0.162	3.637	0.000
KPP2 <- Keputusan Pengajuan Pinjaman	0.844	0.843	0.053	15.853	0.000
KPP3 <- Keputusan Pengajuan Pinjaman	0.730	0.710	0.126	5.785	0.000
KPP4 <- Keputusan Pengajuan Pinjaman	0.730	0.712	0.124	5.892	0.000